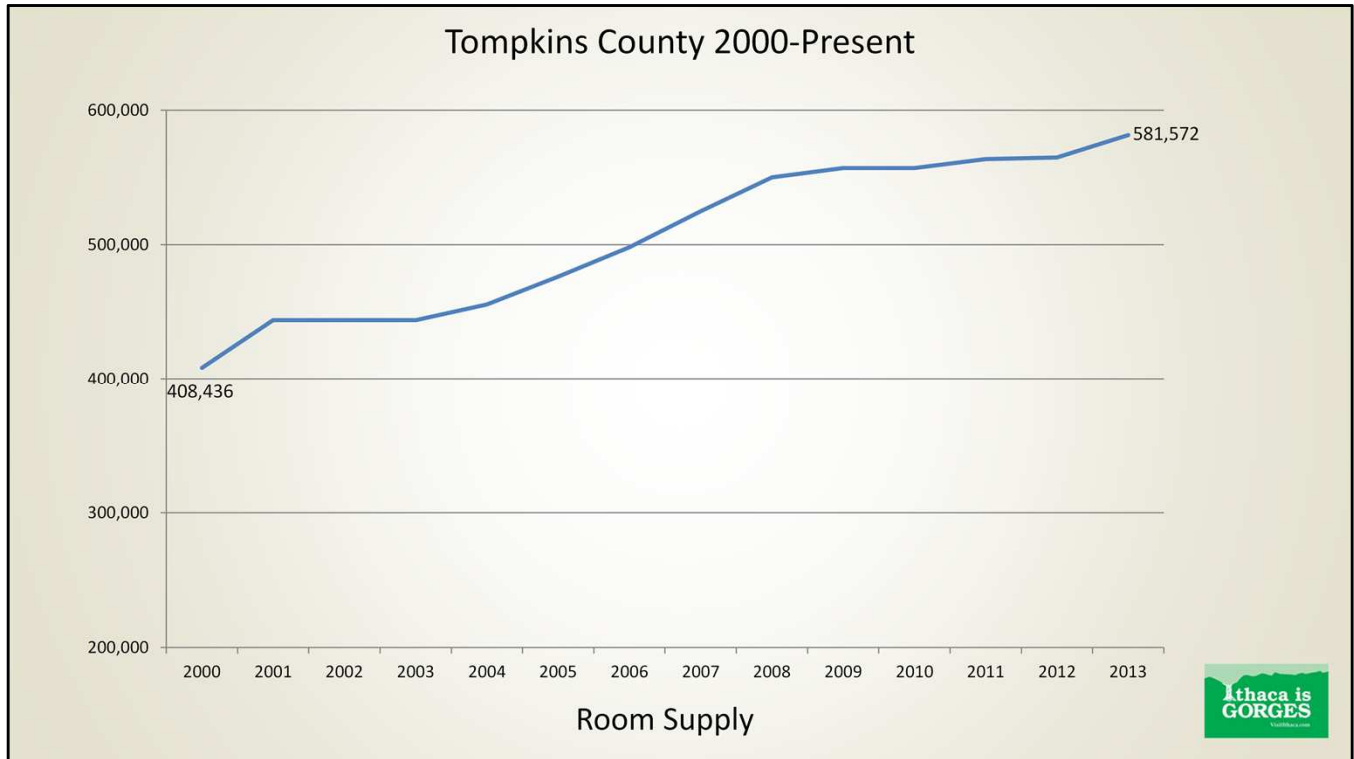


Tompkins County Lodging Industry 2000-2013



For the STPB 2015 Budget, the CVB Sales Department was asked for a 10-year market analysis. We went back to 2000.
Sometimes numbers tell a great story.



We'll start with growth.

This is the total room supply in county reported to STR (Smith Travel Research)

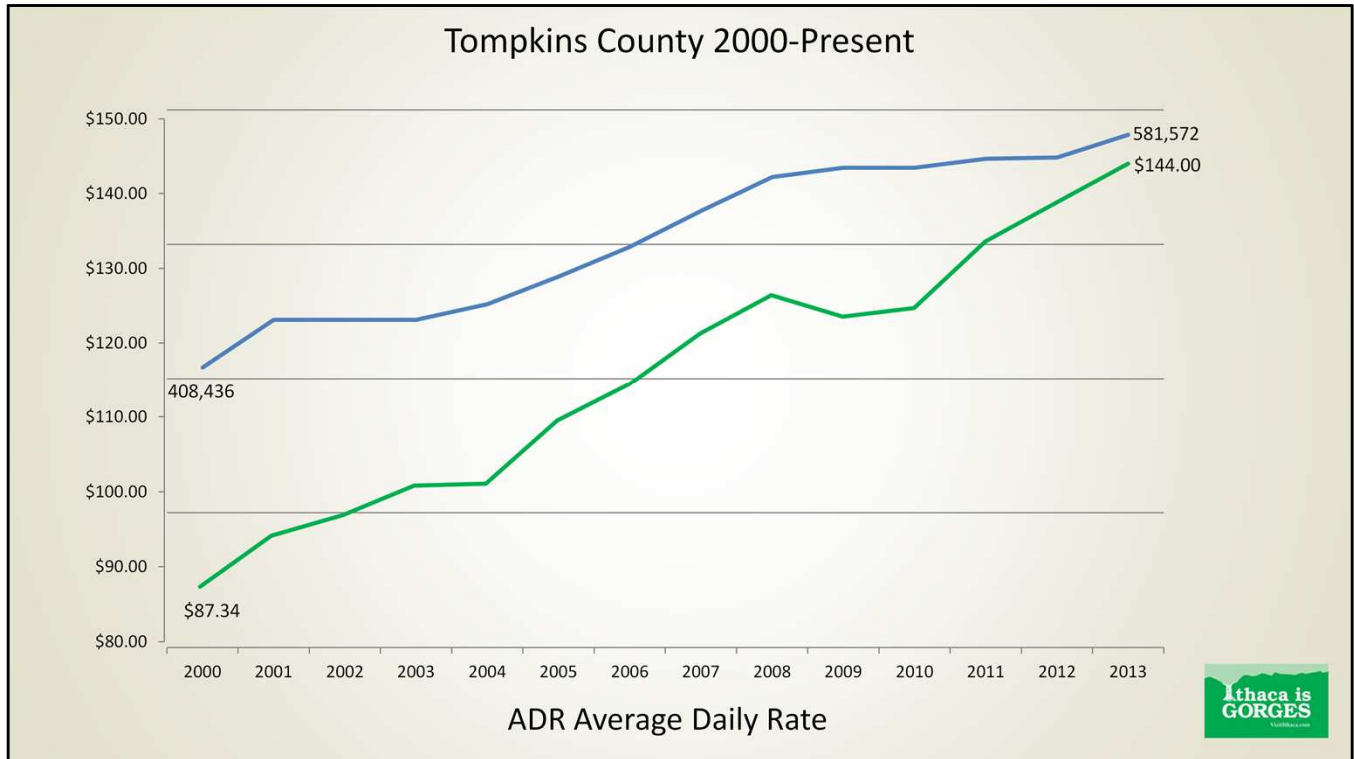
Here, it's an annual number measured in "Room-Nights"

Hotel rooms are perishable commodities, they expire every night, sold or unsold.

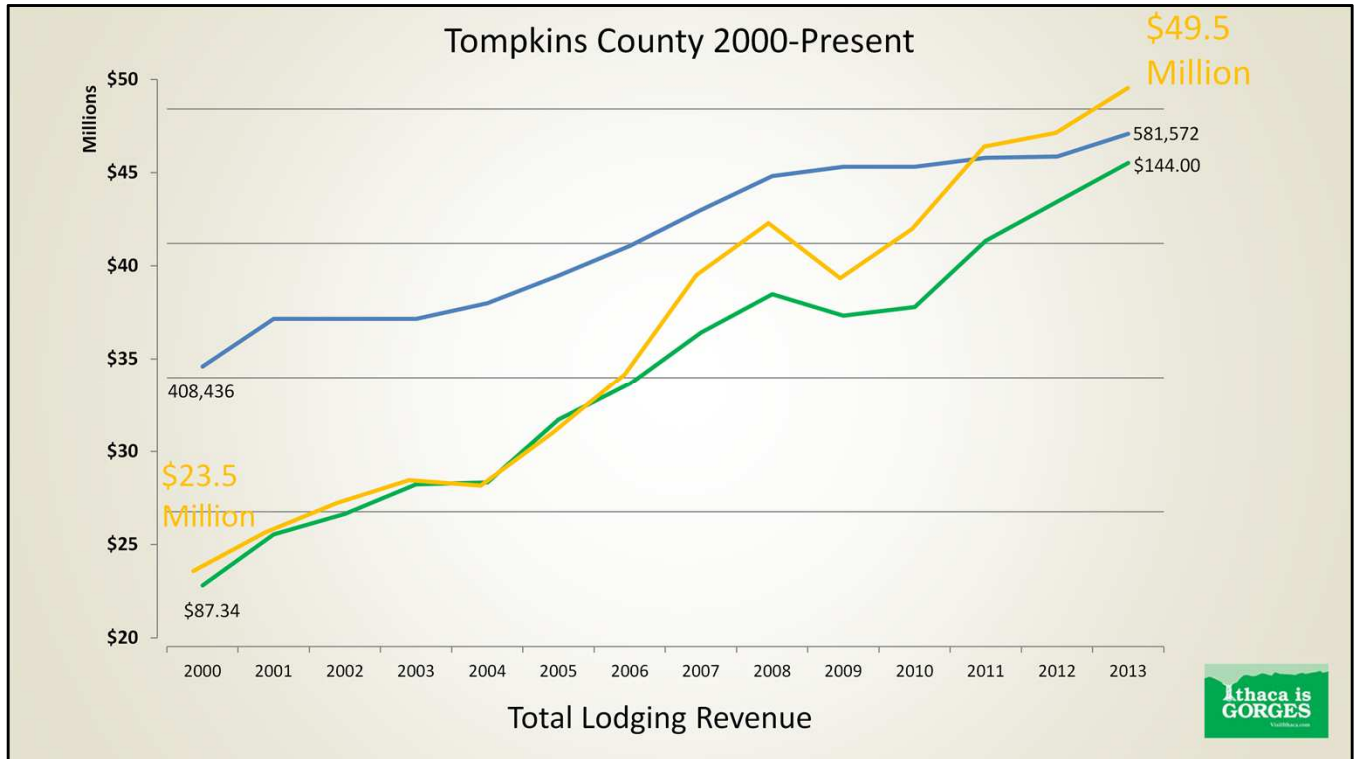
1500 hotel rooms x 365 nights, that's where we get these numbers in the 100,000s.

Key takeaway: our lodging inventory has grown 42% in 13 years. That's huge, almost twice the national average. National growth averaged 2% per year.

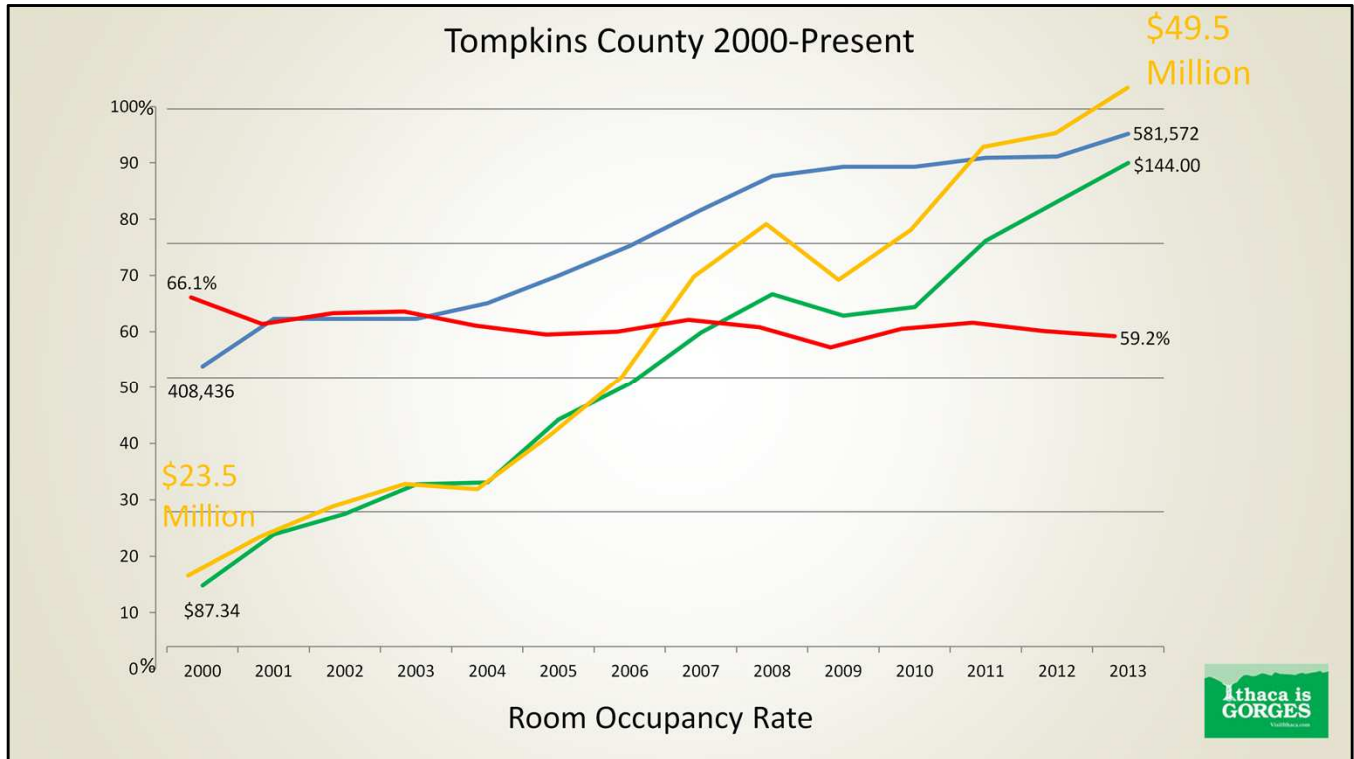
Economics Lesson: Scarcity & Plenty. What happens to price when you flood the market with supply? Price collapses, right?...



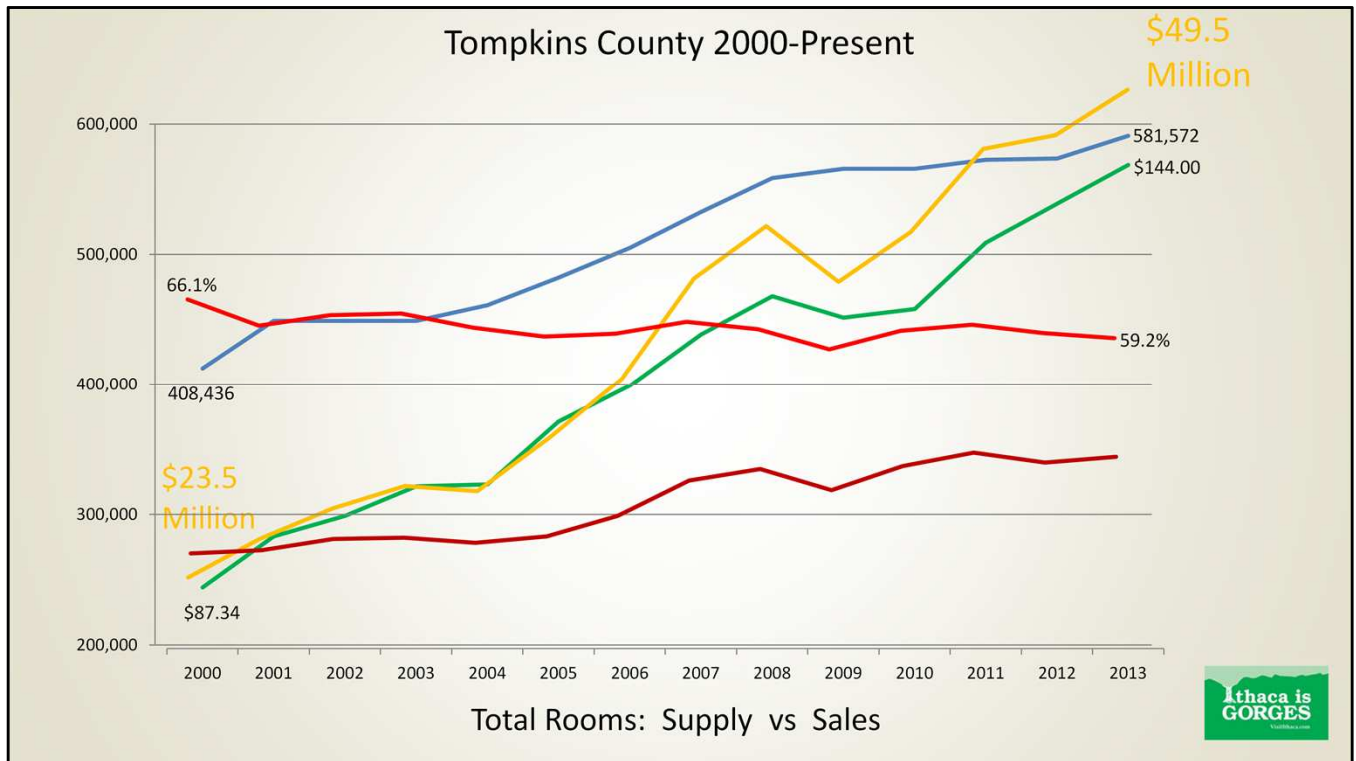
...wrong. Economists don't always get it right.
This is Average Daily Rate, ADR
Climbed from \$87 per night in 2000 to \$144 last year.
That's a 65% increase. Again, huge. Nationally, ADR increased 39%.
So supply exploded, rate exploded, what about gross revenues?



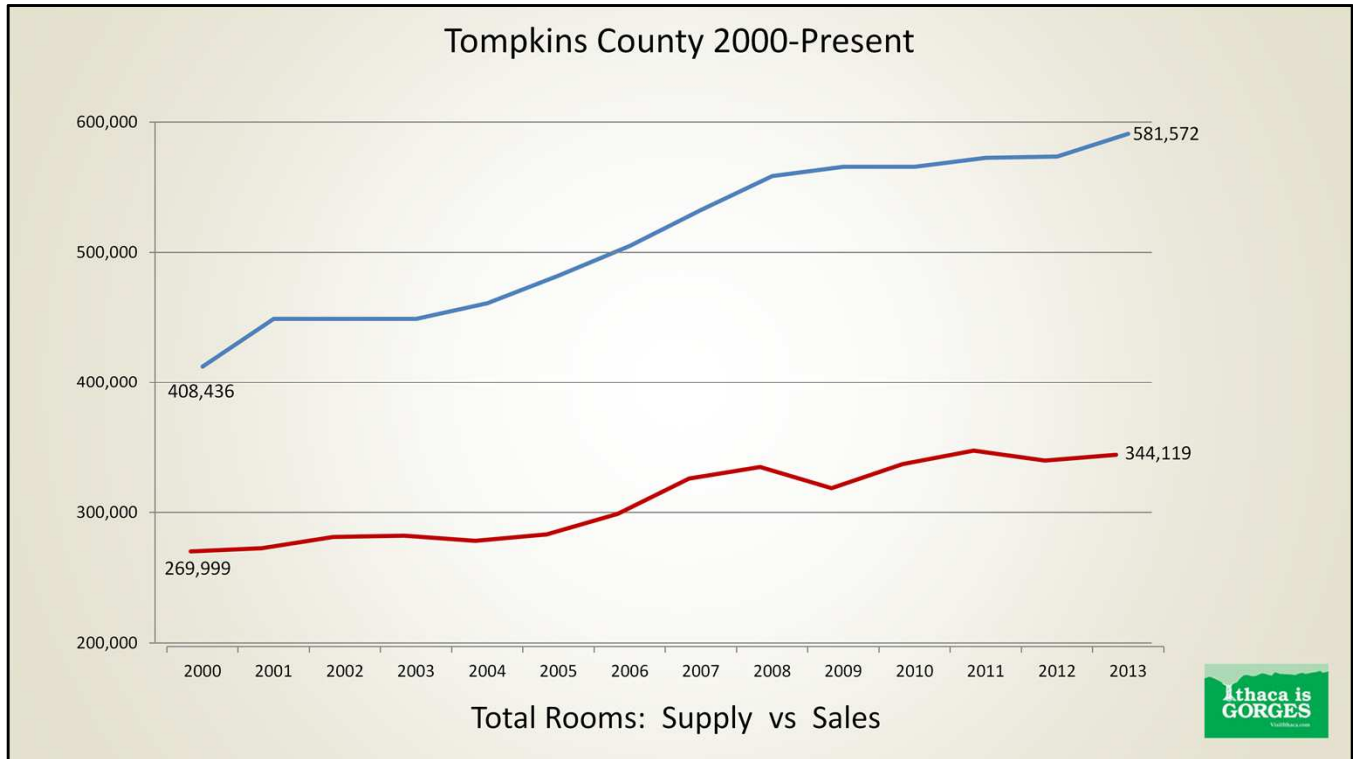
The multiplication is impressive, increased room inventory X increased rate = Cha Ching!
 Revenues grew from \$23.5 million to \$49.5 million
 Increase of 110%—Revenue more than doubled!



One more line...Room Occupancy Rate...it's in red
 42 percent more rooms to sell and occupancy rate only declined slightly
 Occupancy was 61.4 % after 9/11 and now it's 59.2%, not bad right?



One final line...Total Room Sales...wait this is a mess...



That's better. This is room supply on top in blue.

And room sales at the bottom in red.

This slide defines our #1 issue going forward. Can anyone spot the problem here?

The gap in the middle is spreading wider.

Supply is growing at 42%. Sales are growing 27%.

Every percentage point lost in occupancy rate is 5,800 overnight rooms.

We need to sell an additional 16,000 room nights/year to close this gap. That'll put occupancy rate back to 62%.

Weekends are near capacity so the growth has to be midweek: leisure, business travel and conferences.

Tompkins County Lodging Industry 2000-Present



- Incredible Success Story
- Credit County Tourism Program, Innkeepers, CVB, Attractions and Colleges
- RX for Continued Health: Generate 300 Additional Midweek Overnights per Week



Recap & Thanks

BTW—The additional 16,000 rooms sold? That's 300 per week.

For Discussion: What's the best way to get them?